

Message Text

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15

ACTION XMB-07

INFO OCT-01 AF-10 EUR-25 IO-14 ISO-00 AID-20 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 TAR-02

INT-08 SAM-01 NSC-10 SS-20 STR-08 CEA-02 L-03 H-03

DRC-01 AGR-20 /204 W

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R 201050Z FEB 74

FM AVWMBASSY ABIDJAN

TO SECSTATE WASHDC 7208

INFO AMEMBASSY ADDIS ABABA

AMEMBASSY COTONOU

AMEMBASSY DAKAR

AMEMBASSY LOME

AMEMBASSY NIAMEY

AMEMBASSY OUAGADOUGOU

AMEMBASSY PARIS

USMISSION EC BRUSSELS

USMISSION GENEVA

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DEPT PASS EXIM

E.O. 11652: GDYJL

TAGS: OVIP, ETRD, XA, IV

SUBJECT: EXIM (KOBELINSKI, BIERMAN) VISIT: MEETING WITH MINPLAN
DIAWARA

1. EXIMBANK OFFICIALS AND EMBOFFS MET WITH MINPLAN DIAWARA TO
DISCUSS EXIM-IVORIAN RELATIONS AND TO LEARN PRINCIPAL AREAS FOR
POTENTIAL EXIM ACTIVITY IN IVORY COAST. DIAWARA EXPRESSED APPRE-
CIATION FOR PAST EXIM ASSISTANCE, E.G. BANDAMANYI (KOSSOU) AND
DOSESUCRE, MENTIONED POSSIBILITY EXIM PARTICIPATION BANDAMA II

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(TAABO), AND STRESSED THAT WHILE EXIM TERMS WERE NOT COMPETITIVE
WITH FED OR FAC THERE STILL WERE MANY PROJECTS IN IVORY COAST THAT

COULD INVOLVE EXIM CREDITS.

2. REVERSE PREFERENCES. MR. KOVELINSKI RAISED THE PROBLEM OF EEC REVERSE PREFERENCES WHICH HINDER US EXPORTS. DIAWARA (A FORMER STRONG SUPPORTER OF REVERSE PREFERENCES) SAID THIS WAS A FALSE PROBLEM CREATED SOLELY BY FRENCH FOR FRENCH BENEFIT; REVERSE PREFERENCES SHOULD NOT EXIST. ONLY FRANCE AMONG EEC MEMBERS WAS INTERESTED IN MAINTAINING THE PRESENT PREFERENCE SCHEME. AFRICAN COUNTRIES AS A GROUP HAVE SAID THEY DO NOT WANT IT (AOU MEETING AT ADDIS ABABA) AND, IN HIS OPINION, WILL NOT REVERSE THEIR DECISION. FRANCE, ALTHOUGH TOO "MODEST" TO SAY SO OPENLY, WAS PUSHING SOME STATES IN FRANCOPHONE AFRICA TO SUPPORT ITS POSITION. AFRICAN PROPONENTS OF FRENCH VIEW ARGUE THAT NOT TO PROVIDE RECIPROCITY PLACES AFRICANS IN UNEQUAL STATUS NO WORSE THAN BEGGARS. TO THIS ARGUMENT DIAWARA REPLIES THAT LDCS ARE INDEED BEGGARS (MENDIANTS) AND NEED ALL THE HELP THEY CAN GET. DIAWARA INDICATED THAT IVORY COAST WOULD NOT LEAD VOCAL OPPOSITION TO REVERSE PREFERENCES IN AFRICAN GROUP ("IT'S NOT OUR STYLE TO SHOUT") BUT WOULD NOT SUPPORT FRENCH POSITION.

COMMENT: THIS IS STRONGEST STATEMENT AGAINST REVERSE PREFERENCE EMBASSY HAS HEARD FROM ANY HIGH GOIC OFFICIAL. IT IS MOST WELCOMAN.

3. U.S. INVESTMENT AND COMPETITIVENESS. DIAWARA EXPRESSED HIS DISAPPOINTMENT THAT FEW U.S. BUSINESS FIRMS WERE INTERESTED IN IVORY COAST DUE TO SMALL MARKET SIZE (5,000,000) AND RELATIVE LOW PER CAPITA INCOME COMPARED TO U.S. TYPE MARKET. MOST U.S. ACTIVITY IS SMALL, E.G. UNION CARBIDE, OR IS DONE THROUGH FRENCH SUBSIDIARY. IN ADDITION, IT WAS HIS EXPERIENCE THAT US COMPANIES WERE NOT USUALLY COMPETITIVE ON MANY LARGE PROJECTS E.G., G.E. BID FOR VRIDI TURBINES. WITH STRENGTHENING OF DOLLAR, US AGAIN WOULD BE LESS COMPETATIVE AND 7 PERCENT EXIM FINANCING WOULD NOT IMPROVE POSITION RELATIVE TO EUROPEAN COMPETITORS IN WEST AFRICA. HE SUGGESTED TWO MAJOR AREAS WHERE US CAN BECOMPETITIVE: 1) HOTEL CONSTRUCTION AND OPERATION, PARTICULARLY BY INTRODUCING BIG CHAINS E.G., SHERATON, HILTON, HOLIDAY INN, THUS MAKING US BUSINESSMEN FEEL AT HOME IN IVORY COAST; AND 2) ENGINEERING STUDIES FOR SPECIALIZED PROJECTS SINCE US EXCELLS IN TECHNOLOGY, DESIGN, ETC. LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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ACCORDINGLY, EXIM SHOULD SEEK TO INTEREST POTENTIAL US INVESTORS IN THESE AREAS.

4. BANGOLO IRON ORE. DIAWARA SAID GIC IS ANXIOUS TO GET BANGOLO IRON ORE DEVELOPMENT UNDERWAY BUT PICKANDS MATHER, WHICH HAS CONCESSION, HAS MOVED SLOWLY, THUS DISAPPOINTING IVORIANS. EVEN WITH INCREASED IRON ORE PRICES, PROJECT WOULD TAKE 10 YEARS TO COMPLETE. HE EXPRESSED HOPE THAT PICKANDS MATHER WOULD TAKE SOME POSITIVE STEPS HERE IN THE NEAR FUTURE. ROOT

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